

**FISH AND WILDLIFE SERVICE
MANAGEMENT IMPROVEMENT**

Management Improvement

Part 291 Management Analysis and Competitive Sourcing

Chapter 2 Competitive Sourcing

291 FW 2

2.1 What is the purpose of this chapter? This chapter:

- A. Describes the authorities and responsibilities for our competitive sourcing program,
- B. Summarizes the steps we take to perform competitive sourcing studies, and
- C. Introduces the competitive sourcing handbooks we use for performing studies and tracking results:

(1) *Preliminary Planning and Integrated Data Collection Handbook*,

(2) *Performance Work Statement Handbook*,

(3) *The Agency Tender Handbook*, and

(4) *Post-Competition Implementation and Accountability Handbook*.

2.2 What is the scope of this chapter? This chapter applies to all Service activities that we categorize as commercial and appropriate for study (see 291 FW 1 for more information).

2.3 What are the authorities for this chapter?

A. Federal Activities Inventory Reform (FAIR) Act (P.L. 105-270).

B. Office of Management and Budget (OMB) Circular A-76, Performance of Commercial Activities, (revised May 23, 2003).

2.4 What is competitive sourcing and what is its goal?

A. Competitive sourcing is:

(1) A process where we study commercial activities to determine whether or not we should hold a competition to find a more efficient and effective way to perform them.

(2) Governed by OMB Circular A-76. Circular A-76 includes the rules and procedures we must follow to perform competitive sourcing studies.

B. The goal of competitive sourcing is to improve Government performance and efficiency through an increased number of public-private competitions.

2.5 What is the Service competitive sourcing policy? Our policy for competitive sourcing is to:

A. Increase the cost effectiveness of Service work,

B. Position ourselves to effectively compete to keep the work in-house, and

C. Treat our employees with sensitivity when we implement organizational change.

**FISH AND WILDLIFE SERVICE
MANAGEMENT IMPROVEMENT**

2.6 Who is responsible for competitive sourcing in the Service?

A. The Director:

(1) Reviews plans to perform studies and makes the final decision about whether or not to go forward with a study, and

(2) Holds members of the Directorate accountable for the results of studies held in their areas of responsibility through their annual performance evaluations.

B. The Assistant Director – Budget, Planning and Human Capital:

(1) Is the Competitive Sourcing Official (CSO) for the Service (also see 033 FW 16),

(2) For competitive sourcing studies:

(a) Appoints competition officials,

(b) Justifies what supplies and services we will provide to a service provider as Government-furnished property,

(c) Approves or declines to approve requests from contracting officers to:

(i) Require a private sector source to include a performance bond, and

(ii) Use solicitations with an award fee if procedures are in place permitting us to make such an award fee.

(d) If necessary, determining if amending a solicitation closing date is in the best interest of the Government.

(3) Is a non-voting member of the Competitive Sourcing Steering Committee (also see section 2.7C).

(4) Ensures the resources are in place to perform studies and train competition officials and affected employees.

C. Assistant Directors and Regional Directors:

(1) Work with managers in their offices/Regions and the Division of Policy and Directives Management to identify commercial activities that may be appropriate for us to study for potential competition;

(2) Ensure that there are adequate office/Regional resources available to work on competition teams as subject matter experts, contracting officers, management and human resources experts, and team leaders;

(3) Keep the employees in their offices/Regions informed about the progress of planned, ongoing, and completed studies; and

(4) After studies are complete in their areas of responsibility, are accountable for the success of the new organizations.

**FISH AND WILDLIFE SERVICE
MANAGEMENT IMPROVEMENT**

Management Improvement

Part 291 Management Analysis and Competitive Sourcing

Chapter 2 Competitive Sourcing

291 FW 2

D. The Chief, Division of Policy and Directives Management:

- (1) Manages the competitive sourcing program for the Service,
- (2) Provides resources to lead or assist competition teams,
- (3) Offers training on competitive sourcing to affected employees and competition team members, and
- (4) Reports to the Department on the progress of planned, ongoing, and completed studies.

E. Managers/supervisors:

- (1) Should keep their employees informed about the progress of planned, ongoing, and completed studies,
- (2) Help affected employees with the consequences of studies, and
- (3) When called on, serve as competition team members to provide expertise.

2.7 How does the Service plan competitions?

A. FAIR Act Inventory: We use the FAIR Act inventory to help us identify commercial activities that may be appropriate for competitions (see 291 FW 1).

B. Green Plan: We developed a "Green Plan" for competitive sourcing that is a long-range competition plan showing what commercial activities we plan to study and when.

- (1) PDM updates this plan annually to show changes to the previous plan, such as planned competition announcements, delays in studies, beginning preliminary planning activities, etc.
- (2) We send the updated plan to the Department. The Department combines it with the Green Plans of the other bureaus and sends it to OMB for approval.

C. Competitive Sourcing Steering Committee:

- (1) The members of the Competitive Sourcing Steering Committee lead the analysis of potential studies and make recommendations to the Director about what to study.
- (2) The Director appoints the members of the committee. Members include:
 - (a) Four members of the Directorate and
 - (b) The AD – ABHC as an ex officio member.

D. Preliminary Planning: Preliminary planning is a process involving data collection, analysis, and scoping for competitive sourcing. Before we make an official announcement about a competition, we must perform a preliminary planning study. See our *Preliminary Planning and Integrated Data Collection Handbook* for detailed information about this step. Preliminary planning tasks include:

- (1) PDM establishes a preliminary planning team that includes managers, subject matter experts, and PDM experts.

**FISH AND WILDLIFE SERVICE
MANAGEMENT IMPROVEMENT**

Management Improvement

Part 291 Management Analysis and Competitive Sourcing

Chapter 2 Competitive Sourcing

291 FW 2

(2) The team collects and analyzes data about activities that we may study. The team may collect data electronically, through interviews, and by observing employees performing the activities.

(3) Based on the analysis of the data, the team decides whether or not a competition will benefit the Service. They also determine the best way to group or scope activities to get the best competition. If the team thinks the Service will benefit from a competition, they seek approval from the CSO, the Competitive Sourcing Steering Committee, and the Director to go forward with a study.

2.8 What are the different types of competitions? There are two types of competitions—streamlined and standard.

A. Streamlined (see section 2.9 below for phases of the study):

(1) We may:

(a) Only use a streamlined study for 65 or fewer full-time equivalents (FTE).

(b) Use market research rather than open competition.

(2) We always develop a Most Efficient Organization (MEO) for streamlined studies. The MEO is a new organization that the Government proposes to improve efficiency and effectiveness of the activities under study. Although OMB Circular A-76 makes forming an MEO for a streamlined study an option, it is Departmental policy to always develop an MEO for streamlined studies.

(3) Because we always develop an MEO, the CSO approved a 135-day timeline for streamlined studies to allow for the best possible MEO. (Other Government agencies may choose not to develop an MEO, and they must complete their studies in 90 days.)

(4) No one may contest the results of a streamlined study.

B. Standard (see section 2.10 below for phases of the study):

(1) We must use a standard study for activities involving more than 65 FTE. We have the option of using a standard study for fewer than 65 FTE.

(2) We always develop an MEO and Agency Tender (see our *Agency Tender Handbook* for more information).

(3) The study always results in a competition with the private/public reimbursable sectors.

(4) The timeline is 12 months, with an additional 6-month extension available for complex studies.

(5) Any interested party may contest the results of a standard competition.

2.9 What are the basic phases of streamlined studies? The four basic phases in a streamlined study are:

A. Developing a requirements document that describes the work that the service provider must perform (see our *Performance Work Statement Handbook* for more information),

**FISH AND WILDLIFE SERVICE
MANAGEMENT IMPROVEMENT**

Management Improvement

Part 291 Management Analysis and Competitive Sourcing

Chapter 2 Competitive Sourcing

291 FW 2

B. Developing an MEO and cost estimate (prepared in COMPARE© software) (see our *Agency Tender Handbook* for more information),

C. Performing market research, and

D. Evaluating the research and:

(1) Either awarding the work to the MEO or

(2) Holding a public sector competition

2.10 What are the basic phases of standard studies? The six basic phases in a standard competition are:

A. Developing the Performance Work Statement (PWS) and Quality Assurance Surveillance Plan (QASP) (see our *Performance Work Statement Handbook* for more information).

B. Developing and issuing a Request for Proposal (RFP).

C. Developing an Agency Tender. The Agency Tender includes, but is not limited to:

(1) An MEO, that includes:

(a) Organization and staffing,

(b) Management and procedures

(2) An internal Quality Control Plan (QCP) that measures quantity, timeliness, responsiveness, and customer satisfaction, and a

(3) Cost estimate (prepared in COMPARE© software).

D. Evaluating proposals. PDM and the contracting officer (CO) establish a Source Selection Evaluation Board (SSEB) to evaluate proposals. The CO is typically the Source Selection Authority.

E. Awarding a contract (for a contractor win), a letter of obligation (for an MEO win), or a fee-for-service agreement (for another public sector agency win).

2.11 How does the Service phase in the new organization? Potential offerors must provide a phase-in plan that explains how they will phase in the new organization. During the phase-in period, the incumbent workforce continues to perform the work as always, and the winning service provider gears up to take over the work. By the end of the phase-in period, the winning service provider performs all work under the new organization.

2.12 Is the Service accountable for the results of the new organization? Yes.

A. We must track savings we achieve from whoever wins the competition—whether it is a contractor, the MEO, or another public sector service provider. (See our *Post-Competition Implementation and Accountability Handbook* for detailed information about transitioning to a new organization and accountability.)

FISH AND WILDLIFE SERVICE
MANAGEMENT IMPROVEMENT

Management Improvement Part 291 Management Analysis and Competitive Sourcing
Chapter 2 Competitive Sourcing 291 FW 2

B. We must also monitor performance. We monitor performance based on the performance standards that the PWS team includes in the QASP.

2.13 To whom does the Service report savings and performance information? We report the results of our competitions to Congress. In our Annual Section 647 Report to Congress, we report the following information about each of the completed competitions:

- A. How we are implementing the QASP,
- B. The actual cost of performance,
- C. Evaluation of performance,
- D. Comparison of actual costs to the costs proposed by the winning service provider, and
- E. Savings from the cost of performing the work prior to competition.



ACTING DIRECTOR

Date: April 24, 2008